

HOUSE BILL No. 1002

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-41; IC 6-2.5-10-1; IC 6-3.5; IC 6-6; IC 6-8.1; IC 8-2.1-28; IC 8-14; IC 8-14.5; IC 8-15; IC 8-23; IC 9-18.1; IC 9-20-18-14.5; IC 36-9-42.2.

Synopsis: Transportation infrastructure funding. Provides for a one-time fuel tax rate increase using a multiyear index factor based on the last time the particular fuel tax rate was increased and the current fuel tax rate per gallon. (Gasoline tax is currently \$0.18, special fuel tax is currently \$0.16, and motor carrier surcharge tax is currently \$0.11.) Limits the one-time increase to \$0.10 per gallon. Provides for an annual rate increase in fuel tax rates based on an annual index factor. Increases alternative fuel decal fees by 50%. Establishes a \$15 transportation infrastructure improvement fee that applies to all motor vehicle registrations. Requires a person who registers an electric vehicle to pay a supplemental registration fee of \$150 with an increase every five years based on an index factor. Provides that the gasoline use tax is distributed to highway funds over a phase-in period. Repeals restrictions on when a tolling project can be undertaken. Requires the Indiana department of transportation (INDOT) to seek a Federal Highway Administration waiver to toll interstate highways. Imposes other duties on INDOT. Amends the assessment procedures for motor carrier civil penalties under IC 9-20-18-14.5. Establishes the
(Continued next page)

Effective: Upon passage; March 23, 2016 (retroactive); June 30, 2017; July 1, 2017.

**Soliday, Brown T, Steuerwald,
Sullivan**

January 4, 2017, read first time and referred to Committee on Roads and Transportation.



Digest Continued

weigh-in-motion pilot program. Makes various changes to the local road and bridge matching grant program. Permits INDOT to approve certain railroad crossing projects, and authorizes the Indiana finance authority to finance an approved project subject to a maximum annual debt service limit of \$10,000,000. Annually appropriates \$250,000 to INDOT for the local technical assistance program to develop and maintain a centralized electronic statewide asset management data base. Makes various changes to the transportation funding exchange program between the state and counties and municipalities. Adds various study requirements. Continues the funding Indiana's roads for a stronger, safer tomorrow task force through December 31, 2018.



Introduced

First Regular Session of the 120th General Assembly (2017)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

HOUSE BILL No. 1002

A BILL FOR AN ACT to amend the Indiana Code concerning transportation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 2-5-41 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JUNE
3 30, 2017]:

4 **Chapter 41. Funding Indiana's Roads for a Stronger, Safer**
5 **Tomorrow Task Force**

6 **Sec. 1. As used in this chapter, "task force" refers to the funding**
7 **Indiana's roads for a stronger, safer tomorrow task force**
8 **established by HEA 1001-2016, SECTION 21, subsection (b).**

9 **Sec. 2. The funding Indiana's roads for a stronger, safer**
10 **tomorrow task force is continued through December 31, 2018.**

11 **Sec. 3. (a) The task force consists of the members serving ex**
12 **officio and those individuals who were appointed under HEA**
13 **1001-2016, SECTION 21. Ex officio members become members on**
14 **the date of any change in the position and members may be**
15 **appointed by the appointing authority at the appointing authority's**



- 1 **discretion. The members are as follows:**
2 **(1) The chairperson of the house of representatives ways and**
3 **means committee.**
4 **(2) The chairperson of the senate appropriations committee.**
5 **(3) The chairperson of the senate tax and fiscal policy**
6 **committee.**
7 **(4) The chairperson of the house of representatives roads and**
8 **transportation committee.**
9 **(5) The chairperson of the senate homeland security and**
10 **transportation committee.**
11 **(6) The director of the office of management and budget.**
12 **(7) The public finance director of the Indiana finance**
13 **authority.**
14 **(8) One (1) member who represents counties and is appointed**
15 **by the governor after considering the recommendation of the**
16 **Association of Indiana Counties.**
17 **(9) One (1) member who represents municipalities and is**
18 **appointed by the governor after considering the**
19 **recommendation of the Indiana Association of Cities and**
20 **Towns.**
21 **(10) One (1) member appointed by the governor after**
22 **considering the recommendation of the Build Indiana**
23 **Council.**
24 **(11) One (1) member appointed by the governor who is an**
25 **employee of the Indiana department of transportation.**
26 **(12) One (1) member appointed by the governor who is a**
27 **member of the Indiana Motor Truck Association.**
28 **(13) One (1) member appointed by the governor who**
29 **represents taxpayers.**
30 **(14) One (1) member of the general assembly who is a**
31 **member of the majority party of the house of representatives**
32 **and is appointed by the speaker of the house of**
33 **representatives.**
34 **(15) One (1) member of the general assembly who is a**
35 **member of the minority party of the house of representatives**
36 **and is appointed by the speaker of the house of**
37 **representatives in consultation with the minority leader of the**
38 **house of representatives.**
39 **(16) One (1) member of the general assembly who is a**
40 **member of the minority party of the senate and is appointed**
41 **by the president pro tempore of the senate in consultation**
42 **with the minority leader of the senate.**



1 **(b) The chairperson of the house of representatives ways and**
 2 **means committee and the chairperson of the senate appropriations**
 3 **committee shall serve as co-chairpersons of the task force.**

4 **Sec. 4. The task force shall review and study funding for**
 5 **transportation infrastructure.**

6 **Sec. 5. The legislative services agency shall provide staff support**
 7 **to the task force.**

8 **Sec. 6. This chapter expires June 30, 2019.**

9 SECTION 2. IC 6-2.5-10-1, AS AMENDED BY P.L.146-2016,
 10 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2017]: Sec. 1. (a) The department shall account for all state
 12 gross retail and use taxes that it collects.

13 (b) Of all the state gross retail and use taxes that the department
 14 collects, the department shall determine separately the parts that:

- 15 (1) the department collects under IC 6-2.5-3.5 (**gasoline use tax**);
 16 and
 17 (2) the department collects under this article, less the amount
 18 described in subdivision (1).

19 (c) The department shall deposit the collections described in
 20 subsection (b)(1) in the following manner:

- 21 (1) For state fiscal year 2017, the following:
 22 (A) Fourteen and two hundred eighty-six thousandths percent
 23 (14.286%) of the collections shall be deposited in the motor
 24 vehicle highway account ~~established under~~ (IC 8-14-1).
 25 (B) Eighty-five and seven hundred fourteen thousandths
 26 percent (85.714%) to the state general fund.
 27 (2) For state fiscal year 2018, the following:
 28 (A) Fourteen and two hundred eighty-six thousandths percent
 29 (14.286%) of the collections shall be deposited in the motor
 30 vehicle highway account ~~established under~~ (IC 8-14-1).
 31 (B) Fourteen and two hundred eighty-six thousandths percent
 32 (14.286%) of the collections shall be deposited in the local
 33 road and bridge matching grant fund ~~established under~~
 34 (IC 8-23-30).
 35 (C) Seventy-one and four hundred twenty-eight thousandths
 36 percent (71.428%) to the state general fund.
 37 (3) For state fiscal year 2019, ~~and thereafter~~, the following:
 38 (A) Fourteen and two hundred eighty-six thousandths percent
 39 (14.286%) of the collections shall be deposited in the motor
 40 vehicle highway account ~~established under~~ (IC 8-14-1).
 41 (B) Twenty-one and four hundred twenty-nine thousandths
 42 percent (21.429%) of the collections shall be deposited in the



- 1 local road and bridge matching grant fund established under
 2 (IC 8-23-30).
- 3 **(C) Thirty-five and seven hundred fourteen thousandths**
 4 **percent (35.714%) of the collections shall be deposited in**
 5 **the state highway fund (IC 8-23-9-54).**
- 6 ~~(C) (D) Sixty-four and two hundred eighty-five thousandths~~
 7 ~~percent (64.285%) to Twenty-eight and five hundred~~
 8 ~~seventy-one thousandths percent (28.571%) shall be~~
 9 ~~deposited in the state general fund.~~
- 10 **(4) For state fiscal year 2020, the following:**
- 11 **(A) Fourteen and two hundred eighty-six thousandths**
 12 **percent (14.286%) of the collections shall be deposited in**
 13 **the motor vehicle highway account (IC 8-14-1).**
- 14 **(B) Twenty-one and four hundred twenty-nine thousandths**
 15 **percent (21.429%) of the collections shall be deposited in**
 16 **the local road and bridge matching grant fund**
 17 **(IC 8-23-30-2).**
- 18 **(C) Fifty percent (50%) of the collections shall be deposited**
 19 **in the state highway fund (IC 8-23-9-54).**
- 20 **(D) Fourteen and two hundred eighty-five thousandths**
 21 **percent (14.285%) shall be deposited in the state general**
 22 **fund.**
- 23 **(5) For state fiscal year 2021 and thereafter, the following:**
- 24 **(A) Fourteen and two hundred eighty-six thousandths**
 25 **percent (14.286%) of the collections shall be deposited in**
 26 **the motor vehicle highway account (IC 8-14-1).**
- 27 **(B) Twenty-one and four hundred twenty-nine thousandths**
 28 **percent (21.429%) of the collections shall be deposited in**
 29 **the local road and bridge matching grant fund**
 30 **(IC 8-23-30-2).**
- 31 **(C) Sixty-four and two hundred eighty-five thousandths**
 32 **percent (64.285%) of the collections shall be deposited in**
 33 **the state highway fund (IC 8-23-9-54).**
- 34 (d) The department shall deposit those collections described in
 35 subsection (b)(2) in the following manner:
- 36 (1) Ninety-nine and eight hundred thirty-eight thousandths
 37 percent (99.838%) of the collections shall be paid into the state
 38 general fund.
- 39 (2) Thirty-one thousandths of one percent (0.031%) of the
 40 collections shall be deposited into the industrial rail service fund
 41 established under IC 8-3-1.7-2.
- 42 (3) One hundred thirty-one thousandths of one percent (0.131%)



1 of the collections shall be deposited into the commuter rail service
 2 fund established under IC 8-3-1.5-20.5.

3 SECTION 3. IC 6-3.5-4-3, AS AMENDED BY P.L.205-2013,
 4 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2017]: Sec. 3. If an adopting entity adopts an ordinance
 6 imposing the surtax after December 31 but before ~~July~~ **November 1** of
 7 the following year, a motor vehicle is subject to the tax if it is registered
 8 in the county after December 31 of the year in which the ordinance is
 9 adopted. If an adopting entity adopts an ordinance imposing the surtax
 10 after ~~June 30~~ **October 31** but before the following January 1, a motor
 11 vehicle is subject to the tax if it is registered in the county after
 12 December 31 of the year following the year in which the ordinance is
 13 adopted. However, in the first year the surtax is effective, the surtax
 14 does not apply to the registration of a motor vehicle for the registration
 15 year that commenced in the calendar year preceding the year the surtax
 16 is first effective.

17 SECTION 4. IC 6-3.5-4-4, AS AMENDED BY P.L.205-2013,
 18 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2017]: Sec. 4. (a) After January 1 but before ~~July~~ **November**
 20 1 of any year, the adopting entity may, subject to the limitations
 21 imposed by subsection (b), adopt an ordinance to rescind the surtax. If
 22 the adopting entity adopts such an ordinance, the surtax does not apply
 23 to a motor vehicle registered after December 31 of the year the
 24 ordinance is adopted.

25 (b) The adopting entity may not adopt an ordinance to rescind the
 26 surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to
 27 rescind the wheel tax. In addition, the adopting entity may not adopt an
 28 ordinance to rescind the surtax if:

29 (1) any portion of a loan obtained by the county under IC 8-14-8
 30 is unpaid; or
 31 (2) any bonds issued by the county under IC 8-14-9 are
 32 outstanding.

33 SECTION 5. IC 6-3.5-4-5, AS AMENDED BY P.L.205-2013,
 34 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2017]: Sec. 5. (a) The adopting entity may, subject to the
 36 limitations imposed by subsection (b), adopt an ordinance to increase
 37 or decrease the surtax rate or amount. The new surtax rate or amount
 38 must be within the range of rates or amounts prescribed by section 2 of
 39 this chapter. A new rate or amount that is established by an ordinance
 40 that is adopted after December 31 but before ~~July~~ **November 1** of the
 41 following year applies to motor vehicles registered after December 31
 42 of the year in which the ordinance to change the rate or amount is



1 adopted. A new rate or amount that is established by an ordinance that
 2 is adopted after ~~June 30~~ **October 31** but before January 1 of the
 3 following year applies to motor vehicles registered after December 31
 4 of the year following the year in which the ordinance is adopted.

5 (b) The adopting entity may not adopt an ordinance to decrease the
 6 surtax rate or amount under this section if:

7 (1) any portion of a loan obtained by the county under IC 8-14-8
 8 is unpaid; or

9 (2) any bonds issued by the county under IC 8-14-9 are
 10 outstanding.

11 SECTION 6. IC 6-3.5-4-6, AS AMENDED BY P.L.205-2013,
 12 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2017]: Sec. 6. If an adopting entity adopts an ordinance to
 14 impose, rescind, or change the rate or amount of the surtax, the
 15 adopting entity shall send a copy of the ordinance to the commissioner
 16 of the bureau of motor vehicles. **To be put into effect the following**
 17 **year, the ordinance must be received by the bureau of motor**
 18 **vehicles before November 15 of the year the ordinance is adopted.**
 19 **An ordinance that is received by the bureau of motor vehicles after**
 20 **the November 15 deadline is to be treated as an ordinance adopted**
 21 **after November 1 of that year.**

22 SECTION 7. IC 6-3.5-4-14 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 14. (a) On or before
 24 ~~August~~ **December** 1 of each year, the auditor of a county that contains
 25 a consolidated city of the first class and that has adopted the surtax
 26 shall provide the county council with an estimate of the surtax revenues
 27 to be received by the county during the next calendar year. The county
 28 shall show the estimated surtax revenues in its budget estimate for the
 29 calendar year.

30 (b) On or before ~~August~~ **December** 1 of each year, the auditor of a
 31 county that does not contain a consolidated city of the first class and
 32 that has adopted the surtax shall provide the county and each city and
 33 town in the county with an estimate of the surtax revenues to be
 34 distributed to that unit during the next calendar year. The county, city,
 35 or town shall show the estimated surtax revenues in its budget estimate
 36 for the calendar year.

37 SECTION 8. IC 6-3.5-5-5, AS AMENDED BY P.L.205-2013,
 38 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2017]: Sec. 5. If an adopting entity adopts an ordinance
 40 imposing the wheel tax after December 31 but before ~~July~~ **November**
 41 1 of the following year, a vehicle described in section 2(a) of this
 42 chapter is subject to the tax if it is registered in the county after



1 December 31 of the year in which the ordinance is adopted. If an
 2 adopting entity adopts an ordinance imposing the wheel tax after ~~June~~
 3 ~~30~~ **October 31** but before the following January 1, a vehicle described
 4 in section 2(a) of this chapter is subject to the tax if it is registered in
 5 the county after December 31 of the year following the year in which
 6 the ordinance is adopted. However, in the first year the tax is effective,
 7 the tax does not apply to the registration of a motor vehicle for the
 8 registration year that commenced in the calendar year preceding the
 9 year the tax is first effective.

10 SECTION 9. IC 6-3.5-5-6, AS AMENDED BY P.L.205-2013,
 11 SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2017]: Sec. 6. (a) After January 1 but before ~~July~~ **November**
 13 1 of any year, the adopting entity may, subject to the limitations
 14 imposed by subsection (b), adopt an ordinance to rescind the wheel tax.
 15 If the adopting entity adopts such an ordinance, the wheel tax does not
 16 apply to a vehicle registered after December 31 of the year the
 17 ordinance is adopted.

18 (b) The adopting entity may not adopt an ordinance to rescind the
 19 wheel tax unless it concurrently adopts an ordinance under IC 6-3.5-4
 20 to rescind the annual license excise surtax. In addition, the adopting
 21 entity may not adopt an ordinance to rescind the wheel tax if:

- 22 (1) any portion of a loan obtained by the county under IC 8-14-8
 23 is unpaid; or
 24 (2) any bonds issued by the county under IC 8-14-9 are
 25 outstanding.

26 SECTION 10. IC 6-3.5-5-7, AS AMENDED BY P.L.205-2013,
 27 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2017]: Sec. 7. (a) The adopting entity may, subject to the
 29 limitations imposed by subsection (b), adopt an ordinance to increase
 30 or decrease the wheel tax rates. The new wheel tax rates must be within
 31 the range of rates prescribed by section 2 of this chapter. New rates that
 32 are established by an ordinance that is adopted after December 31 but
 33 before ~~July~~ **November** 1 of the following year apply to vehicles
 34 registered after December 31 of the year in which the ordinance to
 35 change the rates is adopted. New rates that are established by an
 36 ordinance that is adopted after ~~June 30~~ **October 31** but before ~~July 1~~
 37 ~~of~~ the following year **January 1** apply to motor vehicles registered
 38 after December 31 of the year following the year in which the
 39 ordinance is adopted.

40 (b) The adopting entity may not adopt an ordinance to decrease the
 41 wheel tax rate under this section if:

- 42 (1) any portion of a loan obtained by the county under IC 8-14-8



1 is unpaid; or

2 (2) any bonds issued by the county under IC 8-14-9 are
3 outstanding.

4 SECTION 11. IC 6-3.5-5-8, AS AMENDED BY P.L.205-2013,
5 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2017]: Sec. 8. If an adopting entity adopts an ordinance to
7 impose, rescind, or change the rates of the wheel tax, the adopting
8 entity shall send a copy of the ordinance to:

9 (1) the commissioner of the bureau of motor vehicles; and

10 (2) the department of state revenue.

11 **To be put into effect the following year, the ordinance must be**
12 **received by the bureau of motor vehicles before November 15 of**
13 **the year the ordinance is adopted. An ordinance that is received by**
14 **the bureau of motor vehicles after the November 15 deadline is to**
15 **be treated as an ordinance adopted after November 1 of that year.**

16 SECTION 12. IC 6-3.5-5-16 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 16. (a) On or before
18 ~~August~~ **December** 1 of each year, the auditor of a county that contains
19 a consolidated city of the first class and that has adopted the wheel tax
20 shall provide the county council with an estimate of the wheel tax
21 revenues to be received by the county during the next calendar year.
22 The county shall show the estimated wheel tax revenues in its budget
23 estimate for the calendar year.

24 (b) On or before ~~August~~ **December** 1 of each year, the auditor of a
25 county that does not contain a consolidated city of the first class and
26 that has adopted the wheel tax shall provide the county and each city
27 and town in the county with an estimate of the wheel tax revenues to be
28 distributed to that unit during the next calendar year. The county, city,
29 or town shall show the estimated wheel tax revenues in its budget
30 estimate for the calendar year.

31 SECTION 13. IC 6-3.5-10-1, AS ADDED BY P.L.146-2016,
32 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 UPON PASSAGE]: Sec. 1. The following definitions apply throughout
34 this chapter:

35 (1) "Adopting municipality" means an eligible municipality that
36 has adopted the surtax.

37 (2) "Eligible municipality" means a municipality having a
38 population of at least ~~ten~~ **five** thousand (~~10,000~~): **(5,000)**.

39 (3) "Fiscal body" has the meaning set forth in IC 36-1-2-6.

40 (4) "Fiscal officer" has the meaning set forth in IC 36-1-2-7.

41 (5) "Motor vehicle" means a vehicle that is subject to the annual
42 license excise tax imposed under IC 6-6-5.



1 (6) "Municipality" has the meaning set forth in IC 36-1-2-11.

2 (7) "Surtax" means the annual license excise surtax imposed by
3 the fiscal body of an eligible municipality under this chapter.

4 (8) "Transportation asset management plan" includes planning for
5 drainage systems and rights-of-way that affect transportation
6 assets.

7 SECTION 14. IC 6-3.5-10-3, AS ADDED BY P.L.146-2016,
8 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2017]: Sec. 3. If the fiscal body of an eligible municipality
10 adopts an ordinance imposing the surtax after December 31 but before
11 ~~July~~ **November** 1 of the following year, a motor vehicle is subject to
12 the tax if the motor vehicle is registered in the adopting municipality
13 after December 31 of the year in which the ordinance is adopted. If the
14 fiscal body of an eligible municipality adopts an ordinance imposing
15 the surtax after ~~June 30~~ **October 31** but before the following January
16 1, a motor vehicle is subject to the tax if the motor vehicle is registered
17 in the adopting municipality after December 31 of the year following
18 the year in which the ordinance is adopted. However, in the first year
19 the surtax is effective, the surtax does not apply to the registration of
20 a motor vehicle for the registration year that commenced in the
21 calendar year preceding the year the surtax is first effective.

22 SECTION 15. IC 6-3.5-10-4, AS ADDED BY P.L.146-2016,
23 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2017]: Sec. 4. (a) After January 1 but before ~~July~~ **November**
25 1 of any year, the fiscal body of an adopting municipality may, subject
26 to the limitations imposed by subsection (b), adopt an ordinance to
27 rescind the surtax. If a fiscal body adopts an ordinance to rescind the
28 surtax, the surtax does not apply to a motor vehicle registered after
29 December 31 of the year in which the ordinance is adopted.

30 (b) A fiscal body may not adopt an ordinance to rescind the surtax
31 unless the fiscal body concurrently adopts an ordinance under
32 IC 6-3.5-11 to rescind the municipal wheel tax.

33 SECTION 16. IC 6-3.5-10-5, AS ADDED BY P.L.146-2016,
34 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2017]: Sec. 5. The fiscal body of an adopting municipality
36 may adopt an ordinance to increase or decrease the surtax amount. The
37 new surtax amount must be within the range of amounts prescribed by
38 section 2 of this chapter. A new amount that is established by an
39 ordinance that is adopted after December 31 but before ~~July~~ **November**
40 1 of the following year applies to motor vehicles registered after
41 December 31 of the year in which the ordinance to change the amount
42 is adopted. A new amount that is established by an ordinance that is



1 adopted after ~~June 30~~ **October 31** but before January 1 of the following
 2 year applies to motor vehicles registered after December 31 of the year
 3 following the year in which the ordinance is adopted.

4 SECTION 17. IC 6-3.5-10-6, AS ADDED BY P.L.146-2016,
 5 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2017]: Sec. 6. If the fiscal body of an eligible municipality
 7 adopts an ordinance to impose, rescind, or change the amount of the
 8 surtax, the fiscal body shall send a copy of the ordinance to the
 9 commissioner of the bureau of motor vehicles. **To be put into effect**
 10 **the following year, the ordinance must be received by the bureau**
 11 **of motor vehicles before November 15 of the year the ordinance is**
 12 **adopted. An ordinance that is received by the bureau of motor**
 13 **vehicles after the November 15 deadline is to be treated as an**
 14 **ordinance adopted after November 1 of that year.**

15 SECTION 18. IC 6-3.5-10-11, AS ADDED BY P.L.146-2016,
 16 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2017]: Sec. 11. On or before ~~August~~ **December** 1 of each
 18 year, the fiscal officer of an adopting municipality shall provide the
 19 fiscal body of the adopting municipality with an estimate of the surtax
 20 revenues to be received by the adopting municipality during the next
 21 calendar year. The adopting municipality shall include the estimated
 22 surtax revenues in the adopting municipality's budget estimate for the
 23 calendar year.

24 SECTION 19. IC 6-3.5-11-1, AS ADDED BY P.L.146-2016,
 25 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2017]: Sec. 1. The following definitions apply throughout this
 27 chapter:

- 28 (1) "Adopting municipality" means an eligible municipality that
 29 has adopted the wheel tax.
 30 (2) "Branch office" means a branch office of the bureau of motor
 31 vehicles.
 32 (3) "Bus" has the meaning set forth in IC 9-13-2-17(a).
 33 (4) "Commercial vehicle" has the meaning set forth in
 34 IC 6-6-5.5-1(c).
 35 (5) "Department" refers to the department of state revenue.
 36 (6) "Eligible municipality" means a municipality having a
 37 population of at least ~~ten five thousand (10,000)~~: **(5,000)**.
 38 (7) "In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).
 39 (8) "Political subdivision" has the meaning set forth in
 40 IC 34-6-2-110.
 41 (9) "Recreational vehicle" has the meaning set forth in
 42 IC 9-13-2-150.



- 1 (10) "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).
- 2 (11) "State agency" has the meaning set forth in IC 34-6-2-141.
- 3 (12) "Tractor" has the meaning set forth in IC 9-13-2-180.
- 4 (13) "Trailer" has the meaning set forth in IC 9-13-2-184(a).
- 5 (14) "Transportation asset management plan" includes planning
- 6 for drainage systems and rights-of-way that affect transportation
- 7 assets.
- 8 (15) "Truck" has the meaning set forth in IC 9-13-2-188(a).
- 9 (16) "Wheel tax" means the tax imposed under this chapter.

10 SECTION 20. IC 6-3.5-11-5, AS ADDED BY P.L.146-2016,
 11 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2017]: Sec. 5. If the fiscal body of an eligible municipality
 13 adopts an ordinance imposing the wheel tax after December 31 but
 14 before ~~July~~ **November 1** of the following year, a vehicle described in
 15 section 2(a) of this chapter is subject to the tax if the vehicle is
 16 registered in the adopting municipality after December 31 of the year
 17 in which the ordinance is adopted. If a fiscal body adopts an ordinance
 18 imposing the wheel tax after ~~June 30~~ **October 31** but before the
 19 following January 1, a vehicle described in section 2(a) of this chapter
 20 is subject to the tax if the vehicle is registered in the adopting
 21 municipality after December 31 of the year following the year in which
 22 the ordinance is adopted. However, in the first year the tax is effective,
 23 the tax does not apply to the registration of a motor vehicle for the
 24 registration year that commenced in the calendar year preceding the
 25 year the tax is first effective.

26 SECTION 21. IC 6-3.5-11-6, AS ADDED BY P.L.146-2016,
 27 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2017]: Sec. 6. (a) After January 1 but before ~~July~~ **November**
 29 1 of any year, the fiscal body of an adopting municipality may, subject
 30 to the limitations imposed by subsection (b), adopt an ordinance to
 31 rescind the wheel tax. If a fiscal body adopts an ordinance to rescind
 32 the wheel tax, the wheel tax does not apply to a vehicle registered after
 33 December 31 of the year the ordinance is adopted.

34 (b) The fiscal body of an adopting municipality may not adopt an
 35 ordinance to rescind the wheel tax unless the fiscal body concurrently
 36 adopts an ordinance under IC 6-3.5-10 to rescind the annual license
 37 excise surtax.

38 SECTION 22. IC 6-3.5-11-7, AS ADDED BY P.L.146-2016,
 39 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2017]: Sec. 7. The fiscal body of an adopting municipality
 41 may adopt an ordinance to increase or decrease the wheel tax rates. The
 42 new wheel tax rates must be within the range of rates prescribed by



1 section 2 of this chapter. New rates that are established by an ordinance
 2 that is adopted after December 31 but before ~~July~~ **November** 1 of the
 3 following year apply to vehicles registered after December 31 of the
 4 year in which the ordinance to change the rates is adopted. New rates
 5 that are established by an ordinance that is adopted after ~~June 30~~
 6 **October 31** but before July 1 of the following year apply to motor
 7 vehicles registered after December 31 of the year following the year in
 8 which the ordinance is adopted.

9 SECTION 23. IC 6-3.5-11-8, AS ADDED BY P.L.146-2016,
 10 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2017]: Sec. 8. If the fiscal body of an eligible municipality
 12 adopts an ordinance to impose, rescind, or change the rates of the
 13 wheel tax, the fiscal body shall send a copy of the ordinance to:

- 14 (1) the commissioner of the bureau of motor vehicles; and
- 15 (2) the department of state revenue.

16 **To be put into effect the following year, the ordinance must be**
 17 **received by the bureau of motor vehicles before November 15 of**
 18 **the year the ordinance is adopted. An ordinance that is received by**
 19 **the bureau of motor vehicles after the November 15 deadline is to**
 20 **be treated as an ordinance adopted after November 1 of that year.**

21 SECTION 24. IC 6-3.5-11-15, AS ADDED BY P.L.146-2016,
 22 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2017]: Sec. 15. On or before ~~August~~ **December** 1 of each
 24 year, the fiscal officer of an adopting municipality shall provide the
 25 fiscal body of the adopting municipality with an estimate of the wheel
 26 tax revenues to be received by the adopting municipality during the
 27 next calendar year. The adopting municipality shall include the
 28 estimated wheel tax revenues in the adopting municipality's budget
 29 estimate for the calendar year.

30 SECTION 25. IC 6-6-1.1-201 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 201. **(a)** A license
 32 tax of ~~eighteen cents (\$0.18) per gallon~~ is imposed on the use of all
 33 gasoline used in Indiana **at the applicable rate specified in subsection**
 34 **(b)**, except as otherwise provided by this chapter. The distributor shall
 35 initially pay the tax on the billed gallonage of all gasoline the
 36 distributor receives in this state, less any deductions authorized by this
 37 chapter. The distributor shall then add the per gallon amount of tax to
 38 the selling price of each gallon of gasoline sold in this state and
 39 collected from the purchaser so that the ultimate consumer bears the
 40 burden of the tax.

41 **(b) The license tax described in subsection (a) is imposed at the**
 42 **following applicable rate per gallon:**



- 1 (1) Before July 1, 2017, eighteen cents (\$0.18).
- 2 (2) For July 1, 2017, through June 30, 2018, the lesser of:
- 3 (A) the rate resulting from using the factors determined
- 4 under IC 6-6-1.6-2; or
- 5 (B) twenty-eight cents (\$0.28).
- 6 (3) Beginning July 1, 2018, and each July 1 thereafter, the
- 7 department shall determine an applicable rate equal to the
- 8 product of:
- 9 (A) the rate in effect on June 30; multiplied by
- 10 (B) the factor determined under IC 6-6-1.6-3.

11 The rate shall be rounded to the nearest cent (\$0.01). The
 12 department shall publish the rate that will take effect on July 1 on
 13 the department's Internet web site not later than June 1.

14 SECTION 26. IC 6-6-1.6 IS ADDED TO THE INDIANA CODE
 15 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 16 UPON PASSAGE]:

17 **Chapter 1.6. Fuel Tax Index Factors**

18 **Sec. 1. The following definitions apply throughout this chapter:**

- 19 (1) "CPI-U" means the Consumer Price Index for all Urban
- 20 Consumers, U.S. city average, all items, using the index base
- 21 period of 1982-84 equal to one hundred (100), as published by
- 22 the Bureau of Labor Statistics of the United States
- 23 Department of Labor.
- 24 (2) "Department" refers to the department of state revenue.
- 25 (3) "IPI" means Indiana personal income.

26 **Sec. 2. (a) The department shall determine a new tax rate for**
 27 **gasoline, special fuel, and the motor carrier surcharge tax to take**
 28 **effect July 1, 2017. The department shall determine the new rate**
 29 **before June 1, 2017. The new rate shall be determined by using**
 30 **annual factors and applying a method that is based on an annual**
 31 **factor being in place each year from the beginning of the period**
 32 **specified for each factor and that uses the resulting rounded rate**
 33 **for purposes of determining the following year rate change.**

34 **(b) The gasoline tax index factor to be used each year equals the**
 35 **following:**

- 36 **STEP ONE: Determine the year over year change in the**
- 37 **CPI-U beginning in 2003 through 2016.**
- 38 **STEP TWO: Determine the year over year change in the IPI**
- 39 **beginning in 2003 through 2016.**
- 40 **STEP THREE: Add for each year:**
- 41 **(A) the STEP ONE result; and**
- 42 **(B) the STEP TWO result.**



1 **STEP FOUR: Divide the STEP THREE result by two (2).**

2 **(c) The special fuel index factor and motor carrier surcharge tax**
 3 **index factor to be used each year equals the following:**

4 **STEP ONE: Determine the year over year change in the**
 5 **CPI-U beginning in 1989 through 2016.**

6 **STEP TWO: Determine the year over year change in the IPI**
 7 **beginning in 1989 through 2016.**

8 **STEP THREE: Add for each year:**

9 **(A) the STEP ONE result; and**

10 **(B) the STEP TWO result.**

11 **STEP FOUR: Divide the STEP THREE result by two (2).**

12 **Sec. 3. (a) The department shall calculate an annual index factor**
 13 **to be used for the rate to take effect each July 1 beginning in 2018.**
 14 **The department shall determine the index factor before June 1 of**
 15 **each year using the method described in subsection (b).**

16 **(b) The annual gasoline tax index factor, special fuel index**
 17 **factor, and motor carrier surcharge tax index factor equals the**
 18 **following:**

19 **STEP ONE: Divide the annual CPI-U for the year preceding**
 20 **the determination year by the annual CPI-U for the year**
 21 **immediately preceding that year.**

22 **STEP TWO: Divide the annual IPI for the year preceding the**
 23 **determination year by the annual IPI for the year**
 24 **immediately preceding that year.**

25 **STEP THREE: Add:**

26 **(A) the STEP ONE result; and**

27 **(B) the STEP TWO result.**

28 **STEP FOUR: Divide the STEP THREE result by two (2).**

29 **SECTION 27. IC 6-6-2.5-22.5 IS ADDED TO THE INDIANA**
 30 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 31 **[EFFECTIVE UPON PASSAGE]: Sec. 22.5. As used in this chapter,**
 32 **"special fuel gallon" means:**

33 **(1) except as provided in subdivisions (2) and (3), a gallon of**
 34 **special fuel;**

35 **(2) a diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)), in**
 36 **the case of a special fuel that is liquid natural gas; or**

37 **(3) a gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)),**
 38 **in the case of a special fuel that is compressed natural gas.**

39 **SECTION 28. IC 6-6-2.5-28, AS AMENDED BY P.L.190-2014,**
 40 **SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
 41 **UPON PASSAGE]: Sec. 28. (a) A license tax of sixteen cents (\$0.16)**
 42 **per:**



- 1 (†) gallon;
 2 (2) diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)); in the
 3 case of a special fuel that is liquid natural gas; or
 4 (3) gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)); in
 5 the case of a special fuel that is compressed natural gas;

6 is imposed on all special fuel sold or used in producing or generating
 7 power for propelling motor vehicles, except fuel used under section
 8 30(a)(8) or 30.5 of this chapter, **at the applicable rate specified in**
 9 **subsection (b)**. The tax shall be paid at those times, in the manner, and
 10 by those persons specified in this section and section 35 of this chapter.

11 **(b) The license tax described in subsection (a) is imposed at the**
 12 **following applicable rate per special fuel gallon:**

- 13 **(1) Before July 1, 2017, sixteen cents (\$0.16).**
 14 **(2) For July 1, 2017, through June 30, 2018, the lesser of:**
 15 **(A) the rate resulting from using the factors determined**
 16 **under IC 6-6-1.6-2; or**
 17 **(B) twenty-six cents (\$0.26).**
 18 **(3) Beginning July 1, 2018, and each July 1 thereafter, the**
 19 **department shall determine an applicable rate equal to the**
 20 **product of:**

- 21 **(A) the rate in effect on June 30; multiplied by**
 22 **(B) the factor determined under IC 6-6-1.6-3.**

23 **The rate shall be rounded to the nearest cent (\$0.01). The**
 24 **department shall publish the rate that will take effect on July 1 on**
 25 **the department's Internet web site not later than June 1.**

26 ~~(b)~~ **(c)** The department shall consider it a rebuttable presumption
 27 that all undyed or unmarked special fuel, or both, received in Indiana
 28 is to be sold for use in propelling motor vehicles.

29 ~~(c)~~ **(d)** Except as provided in subsection ~~(d)~~; **(e)**, the tax imposed on
 30 special fuel by subsection (a) shall be measured by invoiced gallons (or
 31 diesel or gasoline gallon equivalents in the case of a special fuel
 32 described in ~~subsection (a)(2) or (a)(3)~~ **section 22.5(2) or 22.5(3) of**
 33 **this chapter** of nonexempt special fuel received by a licensed supplier
 34 in Indiana for sale or resale in Indiana or with respect to special fuel
 35 subject to a tax precollection agreement under section 35(d) of this
 36 chapter, such special fuel removed by a licensed supplier from a
 37 terminal outside of Indiana for sale for export or for export to Indiana
 38 and in any case shall generally be determined in the same manner as
 39 the tax imposed by Section 4081 of the Internal Revenue Code and
 40 Code of Federal Regulations.

41 ~~(d)~~ **(e)** The tax imposed by subsection (a) on special fuel imported
 42 into Indiana, other than into a terminal, is imposed at the time the



1 product is entered into Indiana and shall be measured by invoiced
2 gallons received at a terminal or at a bulk plant.

3 (e) (f) In computing the tax, all special fuel in process of transfer
4 from tank steamers at boat terminal transfers and held in storage
5 pending wholesale bulk distribution by land transportation, or in tanks
6 and equipment used in receiving and storing special fuel from interstate
7 pipelines pending wholesale bulk reshipment, shall not be subject to
8 tax.

9 (f) (g) The department shall consider it a rebuttable presumption
10 that special fuel consumed in a motor vehicle plated for general
11 highway use is subject to the tax imposed under this chapter. A person
12 claiming exempt use of special fuel in such a vehicle must maintain
13 adequate records as required by the department to document the
14 vehicle's taxable and exempt use.

15 (g) (h) A person that engages in blending fuel for taxable sale or use
16 in Indiana is primarily liable for the collection and remittance of the tax
17 imposed under subsection (a). The person shall remit the tax due in
18 conjunction with the filing of a monthly report in the form prescribed
19 by the department.

20 (h) (i) A person that receives special fuel that has been blended for
21 taxable sale or use in Indiana is secondarily liable to the state for the
22 tax imposed under subsection (a).

23 (i) (j) A person may not use special fuel on an Indiana public
24 highway if the special fuel contains a sulfur content that exceeds five
25 one-hundredths of one percent (0.05%). A person who knowingly:

- 26 (1) violates; or
- 27 (2) aids or abets another person to violate;

28 this subsection commits a Class A infraction. However, the violation
29 is a Class A misdemeanor if the person has committed one (1) prior
30 unrelated violation of this subsection, and a Level 6 felony if the person
31 has committed more than one (1) unrelated violation of this subsection.

32 SECTION 29. IC 6-6-2.5-62, AS AMENDED BY P.L.158-2013,
33 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 UPON PASSAGE]: Sec. 62. (a) No person shall import, sell, use,
35 deliver, or store in Indiana special fuel in bulk as to which dye or a
36 marker, or both, has not been added in accordance with section 31 of
37 this chapter, or as to which the tax imposed by this chapter has not
38 been paid to or accrued by a licensed supplier or licensed permissive
39 supplier as shown by a notation on a terminal-issued shipping paper
40 subject to the following exceptions:

- 41 (1) A supplier shall be exempt from this provision with respect to
42 special fuel manufactured in Indiana or imported by pipeline or



1 waterborne barge and stored within a terminal in Indiana.

2 (2) An end user shall be exempt from this provision with respect
3 to special fuel in a vehicle supply tank when the fuel was placed
4 in the vehicle supply tank outside of Indiana.

5 (3) A licensed importer, and transporter operating on the
6 importer's behalf, that transports in vehicles with a capacity of
7 more than five thousand four hundred (5,400) gallons shall be
8 exempt from this prohibition if the importer or the transporter has
9 met all of the following conditions:

10 (A) The importer or the transporter before entering onto the
11 highways of Indiana has obtained an import verification
12 number from the department not earlier than twenty-four (24)
13 hours before entering Indiana.

14 (B) The import verification number must be set out
15 prominently and indelibly on the face of each copy of the
16 terminal-issued shipping paper carried on board the transport
17 truck.

18 (C) The terminal origin and the importer's name and address
19 must be set out prominently on the face of each copy of the
20 terminal-issued shipping paper.

21 (D) The terminal-issued shipping paper data otherwise
22 required by this chapter is present.

23 (E) All tax imposed by this chapter with respect to previously
24 requested import verification number activity on the account
25 of the importer or the transporter has been timely remitted.

26 In every case, a transporter acting in good faith is entitled to rely upon
27 representations made to the transporter by the fuel supplier or importer
28 and when acting in good faith is not liable for the negligence or
29 malfeasance of another person. A person who knowingly violates or
30 knowingly aids and abets another person in violating this subsection
31 commits a Level 6 felony.

32 (b) No person shall export special fuel from Indiana unless that
33 person has obtained an exporter's license or a supplier's license or has
34 paid the destination state special fuel tax to the supplier and can
35 demonstrate proof of export in the form of a destination state bill of
36 lading. A person who knowingly violates or knowingly aids and abets
37 another person in violating this subsection commits a Level 6 felony.

38 (c) No person shall operate or maintain a motor vehicle on any
39 public highway in Indiana with special fuel contained in the fuel supply
40 tank for the motor vehicle that contains dye or a marker, or both, as
41 provided under section 31 of this chapter. This provision does not
42 apply to persons operating motor vehicles that have received fuel into



1 their fuel tanks outside of Indiana in a jurisdiction that permits
 2 introduction of dyed or marked, or both, special fuel of that color and
 3 type into the motor fuel tank of highway vehicles or to a person that
 4 qualifies for the federal fuel tax exemption under Section 4082 of the
 5 Internal Revenue Code and that is registered with the department as a
 6 dyed fuel user. A person who knowingly:

- 7 (1) violates; or
- 8 (2) aids and abets another person in violating;

9 this subsection commits a Class A infraction. However, the violation
 10 is a Class A misdemeanor if the person has committed one (1) prior
 11 unrelated violation of this subsection, and a Level 6 felony if the person
 12 has committed more than one (1) prior unrelated violation of this
 13 subsection.

14 (d) No person shall engage in any business activity in Indiana as to
 15 which a license is required by section 41 of this chapter unless the
 16 person shall have first obtained the license. A person who knowingly
 17 violates or knowingly aids and abets another person in violating this
 18 subsection commits a Level 6 felony.

19 (e) No person shall operate a motor vehicle with a capacity of more
 20 than five thousand four hundred (5,400) gallons that is engaged in the
 21 shipment of special fuel on the public highways of Indiana and that is
 22 destined for a delivery point in Indiana, as shown on the
 23 terminal-issued shipping papers, without having on board a
 24 terminal-issued shipping paper indicating with respect to any special
 25 fuel purchased:

- 26 (1) under claim of exempt use, a notation describing the load or
 27 the appropriate portion of the load as Indiana tax exempt special
 28 fuel;
- 29 (2) if not purchased under a claim of exempt use, a notation
 30 describing the load or the appropriate portion thereof as Indiana
 31 taxed or pretaxed special fuel; or
- 32 (3) if imported by or on behalf of a licensed importer instead of
 33 the pretaxed notation, a valid verification number provided before
 34 entry into Indiana by the department or the department's designee
 35 or appointee, and the valid verification number may be
 36 handwritten on the shipping paper by the transporter or importer.

37 A person is in violation of subdivision (1) or (2) (whichever applies) if
 38 the person boards the vehicle with a shipping paper that does not meet
 39 the requirements described in the applicable subdivision (1) or (2). A
 40 person in violation of this subsection commits a Class A infraction (as
 41 defined in IC 34-28-5-4).

42 (f) A person may not sell or purchase any product for use in the



1 supply tank of a motor vehicle for general highway use that does not
 2 meet ASTM standards as published in the annual Book of Standards
 3 and its supplements unless amended or modified by rules adopted by
 4 the department under IC 4-22-2. The transporter and the transporter's
 5 agent and customer have the exclusive duty to dispose of any product
 6 in violation of this section in the manner provided by federal and state
 7 law. A person who knowingly:

- 8 (1) violates; or
- 9 (2) aids and abets another in violating;

10 this subsection commits a Level 6 felony.

11 (g) This subsection does not apply to the following:

- 12 (1) A person that:
 - 13 (A) inadvertently manipulates the dye or marker concentration
 - 14 of special fuel or coloration of special fuel; and
 - 15 (B) contacts the department within one (1) business day after
 - 16 the date on which the contamination occurs.
- 17 (2) A person that affects the dye or marker concentration of
- 18 special fuel by engaging in the blending of the fuel, if the blender:
 - 19 (A) collects or remits, or both, all tax due as provided in
 - 20 section ~~28(g)~~ **28(h)** of this chapter;
 - 21 (B) maintains adequate records as required by the department
 - 22 to account for the fuel that is blended and its status as a
 - 23 taxable or exempt sale or use; and
 - 24 (C) is otherwise in compliance with this subsection.

25 A person may not manipulate the dye or marker concentration of a
 26 special fuel or the coloration of special fuel after the special fuel is
 27 removed from a terminal or refinery rack for sale or use in Indiana. A
 28 person who knowingly violates or aids and abets another person to
 29 violate this subsection commits a Level 6 felony.

30 (h) This subsection does not apply to a person that receives blended
 31 fuel from a person in compliance with subsection (g)(2). A person may
 32 not sell or consume special fuel if the special fuel dye or marker
 33 concentration or coloration has been manipulated, inadvertently or
 34 otherwise, after the special fuel has been removed from a terminal or
 35 refinery rack for sale or use in Indiana. A person who knowingly:

- 36 (1) violates; or
- 37 (2) aids and abets another to violate;

38 this subsection commits a Level 6 felony.

39 (i) A person may not engage in blending fuel for taxable use in
 40 Indiana without collecting and remitting the tax due on the untaxed
 41 portion of the fuel that is blended. A person who knowingly:

- 42 (1) violates; or



1 (2) aids and abets another to violate;
 2 this subsection commits a Level 6 felony.

3 SECTION 30. IC 6-6-2.5-64 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 64. (a) If any
 5 person liable for the tax files a false or fraudulent return, there shall be
 6 added to the tax an amount equal to the tax the person evaded or
 7 attempted to evade.

8 (b) The department shall impose a civil penalty of one thousand
 9 dollars (\$1,000) for a person's first occurrence of transporting special
 10 fuel without adequate shipping papers as required under sections 40,
 11 41(g), and 62(e) of this chapter, unless the person shall have complied
 12 with rules adopted under IC 4-22-2. Each subsequent occurrence
 13 described in this subsection is subject to a civil penalty of five thousand
 14 dollars (\$5,000).

15 (c) The department shall impose a civil penalty on the operator of
 16 a vehicle of two hundred dollars (\$200) for the initial occurrence, two
 17 thousand five hundred dollars (\$2,500) for the second occurrence, and
 18 five thousand dollars (\$5,000) for the third and each subsequent
 19 occurrence of a violation of either:

20 (1) the prohibition of use of dyed or marked special fuel, or both,
 21 on the Indiana public highways, except for a person that qualifies
 22 for the federal fuel tax exemption under Section 4082 of the
 23 Internal Revenue Code and that is registered with the department
 24 as a dyed fuel user; or

25 (2) the use of special fuel in violation of section ~~28(i)~~ **28(j)** of this
 26 chapter.

27 (d) A supplier that makes sales for export to a person:

28 (1) who does not have an appropriate export license; or

29 (2) without collection of the destination state tax on special fuel
 30 nonexempt in the destination state;

31 shall be subject to a civil penalty equal to the amount of Indiana's
 32 special fuel tax in addition to the tax due.

33 (e) The department may impose a civil penalty of one thousand
 34 dollars (\$1,000) for each occurrence against every terminal operator
 35 that fails to meet shipping paper issuance requirements under section
 36 40 of this chapter.

37 (f) Each importer or transporter who knowingly imports undyed or
 38 unmarked special fuel, or both, in a transport truck without:

39 (1) a valid importer license;

40 (2) a supplier license;

41 (3) an import verification number, if transporting in a vehicle with
 42 a capacity of more than five thousand four hundred (5,400)



1 gallons; or

2 (4) a shipping paper showing on the paper's face as required under
3 this chapter that Indiana special fuel tax is not due;
4 is subject to a civil penalty of ten thousand dollars (\$10,000) for each
5 occurrence described in this subsection.

6 (g) This subsection does not apply to a person if section 62(g) of this
7 chapter does not apply to the person. A:

8 (1) person that manipulates the dye or marker concentration of
9 special fuel or the coloration of special fuel after the special fuel
10 is removed from a terminal or refinery rack for sale or use in
11 Indiana; and

12 (2) person that receives the special fuel;

13 are jointly and severally liable for the special fuel tax due on the
14 portion of untaxed fuel plus a penalty equal to the greater of one
15 hundred percent (100%) of the tax due or one thousand dollars
16 (\$1,000).

17 (h) A person that engages in blending fuel for taxable sale or use in
18 Indiana and does not collect and remit all tax due on untaxed fuel that
19 is blended is liable for the tax due plus a penalty that is equal to the
20 greater of one hundred percent (100%) of the tax due or one thousand
21 dollars (\$1,000).

22 SECTION 31. IC 6-6-4.1-4.5, AS AMENDED BY P.L.277-2013,
23 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 UPON PASSAGE]: Sec. 4.5. (a) **As used in this section, "surcharge
25 gallon" means, as applicable:**

26 **(1) a gallon of gasoline or special fuel (other than natural gas
27 or an alternative fuel commonly or commercially known or
28 sold as butane or propane);**

29 **(2) a diesel gallon equivalent of a special fuel that is liquid
30 natural gas; or**

31 **(3) a gasoline gallon equivalent of a special fuel that is
32 compressed natural gas or an alternative fuel commonly or
33 commercially known or sold as butane or propane.**

34 **(a) (b) A surcharge tax is imposed on the consumption of motor fuel
35 by a carrier in its operations on highways in Indiana at the applicable
36 rate specified in subsection (c). The rate of this surcharge tax is
37 eleven cents (\$0.11) per:**

38 **(1) gallon of gasoline or special fuel (other than natural gas or an
39 alternative fuel commonly or commercially known or sold as
40 butane or propane);**

41 **(2) diesel gallon equivalent of a special fuel that is liquid natural
42 gas; or**



1 (3) gasoline gallon equivalent of a special fuel that is compressed
 2 natural gas or an alternative fuel commonly or commercially
 3 known or sold as butane or propane.

4 The tax shall be paid quarterly by the carrier to the department on or
 5 before the last day of the month immediately following the quarter.

6 (c) The surcharge tax described in subsection (b) is imposed at
 7 the following applicable rate:

8 (1) Before July 1, 2017, eleven cents (\$0.11) per surcharge
 9 gallon.

10 (2) For July 1, 2017, through June 30, 2018, the lesser of:

11 (A) the rate resulting from using the factors determined
 12 under IC 6-6-1.6-2; or

13 (B) twenty-one cents (\$0.21).

14 (3) Beginning July 1, 2018, and each July 1 thereafter, the
 15 department shall determine an applicable rate equal to the
 16 product of:

17 (A) the rate in effect on June 30; multiplied by

18 (B) the factor determined under IC 6-6-1.6-3.

19 The rate shall be rounded to the nearest cent (\$0.01). The
 20 department shall publish the rate that will take effect on July 1 on
 21 the department's Internet web site not later than June 1.

22 ~~(b)~~ (d) The amount of motor fuel consumed by a carrier in its
 23 operations on highways in Indiana is the total amount of motor fuel
 24 consumed in its entire operations within and without Indiana,
 25 multiplied by a fraction. The numerator of the fraction is the total
 26 number of miles traveled on highways in Indiana, and the denominator
 27 of the fraction is the total number of miles traveled within and without
 28 Indiana.

29 ~~(c)~~ (e) The amount of tax that a carrier shall pay for a particular
 30 quarter under this section equals the product of the tax rate in effect for
 31 that quarter, multiplied by the amount of motor fuel consumed by the
 32 carrier in its operation on highways in Indiana.

33 ~~(d)~~ (f) Subject to section 4.8 of this chapter, a carrier is entitled to
 34 a proportional use credit against the tax imposed under this section for
 35 that portion of motor fuel used to propel equipment mounted on a
 36 motor vehicle having a common reservoir for locomotion on the
 37 highway and the operation of this equipment as determined by rule of
 38 the commissioner. An application for a proportional use credit under
 39 this subsection shall be filed on a quarterly basis on a form prescribed
 40 by the department.

41 SECTION 32. IC 6-6-4.1-4.7 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4.7. (a) This section



1 applies only to a claim for a proportional use credit under section 4(d)
 2 or ~~4.5(d)~~ **4.5(f)** of this chapter for taxes first due and payable after July
 3 31, 1999.

4 (b) A carrier must be certified by the department in order to qualify
 5 for a proportional use credit under section 4(d) or ~~4.5(d)~~ **4.5(f)** of this
 6 chapter.

7 (c) A carrier must apply to the department for certification before
 8 April 1 of the first calendar year for which the proportional use credit
 9 will be claimed. An application for certification must be in writing
 10 upon forms prescribed by the department and must be signed and
 11 verified by the carrier. The department must include on all application
 12 forms suitable spaces for a listing of the following:

13 (1) The carrier's federal Social Security number or federal tax
 14 identification number.

15 (2) The address of the carrier's principal place of business.

16 (3) A description of each of the carrier's vehicles that has a
 17 common fuel supply reservoir for both locomotion on a public
 18 highway and a commercial purpose.

19 (4) The vehicle identification number for each vehicle described
 20 in subdivision (3).

21 (d) The department may certify that a carrier is qualified to claim a
 22 proportional use credit under section 4(d) or ~~4.5(d)~~ **4.5(f)** of this
 23 chapter only upon payment by the carrier to the department of a one (1)
 24 time fee of seven dollars (\$7). The carrier must pay the fee at the time
 25 the application for certification is submitted to the department. The
 26 department shall deposit the fee in the motor carrier regulation fund
 27 established by IC 8-2.1-23-1.

28 (e) A carrier must notify the department, on forms prescribed by the
 29 department, of any change of address by the carrier. The carrier must
 30 provide the notice not more than ten (10) days after the change of
 31 address. The department may revoke or suspend the certification of a
 32 carrier that fails to comply with this subsection.

33 (f) All certificates issued under this section are personal and may
 34 not be transferred.

35 (g) The department may require a carrier that has been issued a
 36 certificate under this section to submit additional information from
 37 time to time at reasonable intervals, as determined by the department.

38 (h) The department may adopt rules under IC 4-22-2 to carry out
 39 this section.

40 SECTION 33. IC 6-6-4.1-4.8, AS AMENDED BY P.L.176-2006,
 41 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2017]: Sec. 4.8. (a) This section applies only to a claim for a



1 proportional use credit under section 4(d) or ~~4.5(d)~~ **4.5(f)** of this
 2 chapter for taxes first due and payable after July 31, 1999.

3 (b) In order to obtain a proportional use credit against taxes imposed
 4 under section 4 or 4.5 of this chapter, a carrier must file a claim with
 5 the department. The claim must be submitted on a form prescribed by
 6 the department and must be filed with the quarterly return for the
 7 taxable period for which the proportional use credit is claimed. A
 8 carrier is not entitled to a proportional use credit under section 4(d) or
 9 ~~4.5(d)~~ **4.5(f)** of this chapter unless the carrier:

- 10 (1) has paid in full the taxes to which the credit applies; and
 11 (2) has filed a claim for the credit on or before the due date of the
 12 corresponding quarterly return for the taxable period for which
 13 the proportional use credit is claimed.

14 A credit approved under this section shall, subject to this section, be
 15 refunded to the carrier without interest.

16 (c) The department shall determine the aggregate amount of
 17 proportional use credits claimed under section 4(d) or ~~4.5(d)~~ **4.5(f)** of
 18 this chapter for each quarter. The department may approve the full
 19 amount of a proportional use credit claimed by a carrier if the
 20 aggregate amount of proportional use credits claimed for the quarter
 21 and for the fiscal year do not exceed the limits set forth in subsection
 22 (d). If the aggregate amount of proportional use credits claimed in a
 23 quarter exceeds the limits set forth in subsection (d), the department
 24 shall pay the claims for that quarter on a pro rata basis.

25 (d) The department may not approve more than three million five
 26 hundred thousand dollars (\$3,500,000) of proportional use credits
 27 under this section in a state fiscal year. In addition, the amount of
 28 proportional use credits the department may approve under this section
 29 for a quarter may not exceed the following:

- 30 (1) For the quarter ending September 30 of a year, an amount
 31 equal to one million three hundred seventy-five thousand dollars
 32 (\$1,375,000).
 33 (2) For the quarter ending December 31 of a year, an amount
 34 equal to:
 35 (A) six hundred twenty-five thousand dollars (\$625,000); plus
 36 (B) the greater of zero (0) or the result of:
 37 (i) the limit determined for the previous quarter under this
 38 subsection; minus
 39 (ii) the aggregate amount of claims approved for the
 40 previous quarter.
 41 (3) For the quarter ending March 31 of a year, an amount equal
 42 to:



- 1 (A) six hundred twenty-five thousand dollars (\$625,000); plus
- 2 (B) the greater of zero (0) or the result of:
- 3 (i) the limit determined for the previous quarter under this
- 4 subsection; minus
- 5 (ii) the aggregate amount of claims approved for the
- 6 previous quarter.
- 7 (4) For the quarter ending June 30 of a year, an amount equal to:
- 8 (A) eight hundred seventy-five thousand dollars (\$875,000);
- 9 plus
- 10 (B) the greater of zero (0) or the result of:
- 11 (i) the limit determined for the previous quarter under this
- 12 subsection; minus
- 13 (ii) the aggregate amount of claims approved for the
- 14 previous quarter.

15 SECTION 34. IC 6-6-14-4, AS ADDED BY P.L.212-2014,
 16 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2017]: Sec. 4. (a) The owner of one (1) of the following motor
 18 vehicles that is registered in Indiana and that is propelled by alternative
 19 fuel shall obtain an alternative fuel decal for the motor vehicle and pay
 20 an annual fee in accordance with the following schedule:

21 SCHEDULE

22 Motor Vehicle	23 Annual Fee
24 A passenger motor vehicle, truck, or bus, 25 the declared gross weight of which is 26 equal to or less than 9,000 pounds.	27 \$100 \$150
28 A recreational vehicle.	29 \$100 \$150
30 A truck or bus, the declared gross 31 weight of which is greater than 9,000 pounds 32 but equal to or less than 11,000 pounds.	33 \$175 \$262.50
34 An alternative fuel delivery truck powered 35 by alternative fuel, which is a truck the 36 declared gross weight of which is greater 37 than 11,000 pounds.	38 \$250 \$375
39 A truck or bus, the declared gross weight 40 of which is greater than 11,000 pounds, 41 except an alternative fuel delivery truck.	42 \$300 \$450
43 A tractor, designed to be used with a 44 semitrailer.	45 \$500 \$750

46 Only one (1) fee is required to be paid per motor vehicle per year.

- 47 (b) The annual fee may be prorated on a quarterly basis if:
- 48 (1) application is made after June 30 of a year; and
- 49 (2) the motor vehicle is newly:



1 (A) converted to alternative fuel;

2 (B) purchased; or

3 (C) registered in Indiana.

4 SECTION 35. IC 6-8.1-3-26 IS ADDED TO THE INDIANA CODE
5 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
6 UPON PASSAGE]: **Sec. 26. (a) The department shall research and**
7 **analyze the methods and systems used to collect taxes comparable**
8 **to the motor carrier surcharge tax (IC 6-6-4.1). The department**
9 **shall include in the study its research findings on the following:**

10 (1) **The estimated amount of surcharge taxes that are not**
11 **being collected using the current quarterly reporting and**
12 **payment system.**

13 (2) **The methods and systems used by other states to collect a**
14 **tax comparable to the motor vehicle surcharge tax.**

15 (3) **Options for replacing the current system.**

16 (4) **Findings on the positives and negatives of each system and**
17 **option.**

18 (5) **Findings on the potential unintended consequences of each**
19 **system and option.**

20 (6) **An estimate of the costs of implementing the options to**
21 **replace the current system.**

22 (b) **A written report of the research, analysis, and findings shall**
23 **be delivered to the funding Indiana's roads for a stronger, safer**
24 **tomorrow task force under IC 2-5-41 before September 1, 2017.**

25 (c) **The department shall provide its data, sources, and**
26 **assumptions, and any documents prepared by the department as**
27 **part of the report to the legislative services agency in an electronic**
28 **format under IC 5-14-6.**

29 (d) **This section expires December 31, 2017.**

30 SECTION 36. IC 6-8.1-3-27 IS ADDED TO THE INDIANA CODE
31 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
32 UPON PASSAGE]: **Sec. 27. (a) The department shall research and**
33 **analyze the following:**

34 (1) **The imposition of the gross retail tax on special fuel in**
35 **Indiana and other states.**

36 (2) **The gross retail tax exemptions that apply to special fuel**
37 **purchases and the methods used to provide each exemption.**

38 (3) **The use of a special fuel tax gallonage rate as a**
39 **replacement for the gross retail tax on special fuel.**

40 (4) **Options for replacing the current system.**

41 (5) **Findings on the positives and negatives of each option.**

42 (6) **Findings on the potential unintended consequences of each**



- 1 **option.**
- 2 **(7) An estimate of the costs of implementing each option.**
- 3 **(b) A written report of the research, analysis, and findings shall**
- 4 **be delivered to the funding Indiana's roads for a stronger, safer**
- 5 **tomorrow task force under IC 2-5-41 before September 1, 2017.**
- 6 **(c) The department shall provide its data, sources, and**
- 7 **assumptions, and any documents prepared by the department as**
- 8 **part of the report to the legislative services agency in an electronic**
- 9 **format under IC 5-14-6.**
- 10 **(d) This section expires December 31, 2017.**
- 11 SECTION 37. IC 6-8.1-10-13, AS ADDED BY P.L.176-2006,
- 12 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 13 JULY 1, 2017]: Sec. 13. (a) A person that:
- 14 (1) obtains a permit, license plate, cab card, or any other
- 15 credential issued by the registration center established under
- 16 IC 6-8.1-4-4; and
- 17 (2) alters **or violates the terms of** the permit, license plate, cab
- 18 card, or other credential **under IC 6-8.1-4-4;**
- 19 is subject to a civil penalty of five hundred dollars (\$500) for the first
- 20 violation and one thousand dollars (\$1,000) for each subsequent
- 21 violation.
- 22 (b) A person that:
- 23 (1) is required to obtain a permit, a license plate, a cab card, or
- 24 other credential issued by the registration center established under
- 25 IC 6-8.1-4-4; and
- 26 (2) operates without obtaining ~~the required~~ a permit, license plate,
- 27 cab card, or other credential **required under IC 6-8.1-4-4 or**
- 28 **operates with an expired permit, license plate, cab card, or**
- 29 **other credential required under IC 6-8.1-4-4;**
- 30 is subject to a civil penalty of five thousand dollars (\$5,000) for each
- 31 violation.
- 32 (c) A civil penalty imposed under this section:
- 33 (1) shall be deposited in the motor carrier regulation fund
- 34 established by IC 8-2.1-23-1; and
- 35 (2) is in addition to any fines levied by a court.
- 36 SECTION 38. IC 8-2.1-28 IS ADDED TO THE INDIANA CODE
- 37 AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE
- 38 JULY 1, 2017]:
- 39 **Chapter 28. Weigh-in-Motion Pilot Program**
- 40 **Sec. 1. As used in this chapter, "department" means the**
- 41 **department of state revenue.**
- 42 **Sec. 2. The department may:**



1 (1) plan;
 2 (2) develop;
 3 (3) install;
 4 (4) maintain;
 5 (5) monitor; and
 6 (6) finance;
 7 electronic weigh-in-motion equipment to facilitate the enforcement
 8 of size and weight restrictions under IC 9-20.
 9 **Sec. 3.** The department may enter into any contracts and
 10 agreements necessary to carry out this chapter.
 11 **Sec. 4.** The department shall adopt rules under IC 4-22-2 to
 12 carry out this chapter. The rules must establish the following:
 13 (1) Technical standards for the installation of electronic
 14 weigh-in-motion stations, including:
 15 (A) roadway sensors;
 16 (B) cameras;
 17 (C) laser measurement devices;
 18 (D) roadway pressure sensors;
 19 (E) speed sensors; and
 20 (F) all other equipment necessary to establish electronic
 21 weigh-in-motion stations.
 22 (2) Weight tolerances for electronic weigh-in-motion stations,
 23 frequency of testing of weight tolerances, and certification
 24 programs for weight tolerances.
 25 (3) Smoothness standards for approach and departure
 26 pavement, and a program to monitor roadway smoothness
 27 affecting electronic weigh-in-motion stations.
 28 **Sec. 5. (a)** The department may adopt emergency rules in the
 29 manner provided under IC 4-22-2-37.1 to carry out this chapter.
 30 **(b)** An emergency rule adopted under subsection (a) expires on
 31 the date a rule that supersedes the emergency rule is adopted by
 32 the commission under IC 4-22-2-22.5 through IC 4-22-2-36.
 33 SECTION 39. IC 8-14-3-3 IS ADDED TO THE INDIANA CODE
 34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 35 1, 2017]: **Sec. 3. (a)** There is annually appropriated two hundred
 36 fifty thousand dollars (\$250,000) from the motor vehicle highway
 37 account to the department to develop and maintain a centralized
 38 electronic statewide asset management data base that may be used
 39 to aggregate data on local road conditions. The data base shall be
 40 developed in cooperation with the department and the office of
 41 management and budget.
 42 **(b)** The department shall submit a written report on the



1 **department's progress in developing the data base described in**
 2 **subsection (a) to the funding Indiana's roads for a stronger, safer**
 3 **tomorrow task force under IC 2-5-41 in an electronic format under**
 4 **IC 5-14-6 before November 1, 2017.**

5 SECTION 40. IC 8-14-10-4 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. As used in this
 7 chapter, "state highway" means any highway that is designated as part
 8 of the state highway system under IC 8-23-4. The term includes all
 9 bridges, tunnels, overpasses, underpasses, **highway railroad**
 10 **crossings**, interchanges, entrance plazas, approaches, buildings, and
 11 facilities that the department considers necessary for the operation of
 12 the highway, together with all property, rights, easements, and interests
 13 that are acquired by the department for the construction or
 14 reconstruction of the highway.

15 SECTION 41. IC 8-14.5-6-1 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. Except as provided
 17 in sections 2 and 5 of this chapter, the authority may, by resolution,
 18 issue and sell bonds or notes of the authority for the purpose of
 19 providing funds to carry out the provisions of this article with respect
 20 to the construction of a project or projects or the refunding of any
 21 bonds or notes, together with any reasonable costs associated with a
 22 refunding. However, the authority may not issue any bonds or notes for
 23 the construction of a project:

24 (1) after July 1, 2007, for a project that is not a highway
 25 **railroad crossing upgrade project described in IC 8-14.5-8;**
 26 **and**

27 (2) after June 30, 2025, for a highway railroad crossing
 28 **upgrade project described in IC 8-14.5-8.**

29 **The amount of the bonds or notes issued for purposes of**
 30 **subdivision (2) may not cause the annual payments on all the bonds**
 31 **and notes for this purpose to exceed ten million dollars**
 32 **(\$10,000,000).**

33 SECTION 42. IC 8-14.5-8 IS ADDED TO THE INDIANA CODE
 34 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2017]:

36 **Chapter 8. State Highway Railroad Crossing Remediation**
 37 **Projects**

38 **Sec. 1. (a) The department may approve state highway railroad**
 39 **crossing remediation projects under this chapter for financing**
 40 **under this article.**

41 **(b) The department shall establish a documented policy and**
 42 **procedure consistent with the requirements of IC 8-6-1 for making**



1 **determinations of whether a project should be approved under this**
 2 **chapter.**

3 **Sec. 2. To approve a project under this chapter the department**
 4 **must determine that the project meets the following conditions:**

5 (1) **The crossing is at a state highway.**

6 (2) **The crossing is at a stage of critical need.**

7 **Sec. 3. A project under this chapter may include building an**
 8 **overpass over the railroad if the department determines that is the**
 9 **best solution for the crossing.**

10 **Sec. 4. The department may seek financing by the authority**
 11 **under this article for a project approved under this chapter.**

12 **Sec. 5. The authority may issue bonds or notes to finance a**
 13 **project approved by the department under this chapter using lease**
 14 **rentals for bond or note repayments. However, the annual**
 15 **payments on all the bonds and notes outstanding may not exceed**
 16 **ten million dollars (\$10,000,000).**

17 **Sec. 6. The department shall make lease rental payments from**
 18 **the state highway road construction and improvement fund**
 19 **established by IC 8-14-10.**

20 SECTION 43. IC 8-15-2-1, AS AMENDED BY P.L.94-2015,
 21 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2017]: Sec. 1. (a) In order to remove the handicaps and
 23 hazards on the congested highways in Indiana, to facilitate vehicular
 24 traffic throughout the state, to promote the agricultural and industrial
 25 development of the state, and to provide for the general welfare by the
 26 construction of modern express highways embodying safety devices,
 27 including center division, ample shoulder widths, long sight distances,
 28 multiple lanes in each direction, and grade separations at intersections
 29 with other highways and railroads, the authority may:

30 (1) ~~subject to subsection (d)~~; construct, reconstruct, maintain,
 31 repair, and operate toll road projects at such locations as shall be
 32 approved by the governor;

33 (2) in accordance with such alignment and design standards as
 34 shall be approved by the authority and subject to IC 8-9.5-8-10,
 35 issue toll road revenue bonds of the state payable solely from
 36 funds pledged for their payment, as authorized by this chapter, to
 37 pay the cost of such projects;

38 (3) finance, develop, construct, reconstruct, improve, or maintain
 39 improvements for manufacturing, commercial, or public
 40 transportation activities within a county through which a toll road
 41 passes;

42 (4) in cooperation with the Indiana department of transportation



1 or a political subdivision, construct, reconstruct, or finance the
 2 construction or reconstruction of an arterial highway or an arterial
 3 street that is located within a county through which a toll road
 4 passes and that:

5 (A) interchanges with a toll road project; or

6 (B) intersects with a road or a street that interchanges with a
 7 toll road project;

8 (5) finance improvements necessary for developing transportation
 9 corridors in northwestern Indiana; and

10 (6) exercise these powers in participation with any governmental
 11 entity or with any individual, partnership, limited liability
 12 company, or corporation.

13 (b) Notwithstanding subsection (a), the authority shall not construct,
 14 maintain, operate, nor contract for the construction, maintenance, or
 15 operation of transient lodging facilities on, or adjacent to, such toll road
 16 projects.

17 (c) This chapter:

18 (1) applies to the authority only when acting for the purposes set
 19 forth in this chapter; and

20 (2) does not apply to the authority when acting under any other
 21 statute for any other purpose.

22 ~~(d) Before the authority or an operator selected under IC 8-15.5 may~~
 23 ~~carry out any of the following activities under this chapter, the general~~
 24 ~~assembly must enact a statute authorizing that activity:~~

25 ~~(1) Imposing tolls on motor vehicles for use of Interstate Highway~~
 26 ~~69;~~

27 ~~(2) Imposing tolls on motor vehicles for use of a nontolled~~
 28 ~~highway, roadway, or other facility in existence or under~~
 29 ~~construction on July 1, 2011, including nontolled interstate~~
 30 ~~highways, U.S. routes, and state routes.~~

31 SECTION 44. IC 8-15-3-0.5 IS ADDED TO THE INDIANA CODE
 32 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
 33 UPON PASSAGE]: **Sec. 0.5. As used in this chapter, "authority"**
 34 **refers to the Indiana finance authority established under IC 4-4-11.**

35 SECTION 45. IC 8-15-3-9, AS AMENDED BY P.L.94-2015,
 36 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2017]: Sec. 9. (a) ~~Subject to subsection (e);~~ The governor
 38 must approve the location of any tollway.

39 (b) The department may, in any combination, plan, design, develop,
 40 construct, reconstruct, maintain, repair, police, finance, and operate
 41 tollways, public improvements, and arterial streets and roads at those
 42 locations that the governor approves.



1 (c) The department may, in any combination, plan, design, develop,
 2 construct, reconstruct, improve, finance, operate, repair, or maintain
 3 public improvements such as roads and streets, sewer lines, water lines,
 4 and other utilities if these improvements are:

- 5 (1) adjacent or appurtenant to a tollway; or
 6 (2) necessary or desirable for the financing, construction,
 7 operation, or maintenance of a tollway.

8 (d) The department may, in any combination, plan, design, develop,
 9 construct, reconstruct, improve, maintain, repair, operate, or finance
 10 the construction or reconstruction of an arterial highway or an arterial
 11 street that:

- 12 (1) is adjacent to, appurtenant to, or interchanges with a tollway;
 13 or
 14 (2) intersects with a road or street that interchanges with a
 15 tollway.

16 (e) Before the governor, the department, or an operator may carry
 17 out any of the following activities under this chapter, the general
 18 assembly must enact a statute authorizing that activity:

- 19 (1) Approve the location of a tollway other than a tollway that is
 20 approved before July 1, 2011.
 21 (2) Impose tolls on motor vehicles for use of Interstate Highway
 22 69.

23 (f) Notwithstanding subsection (e), during the period beginning July
 24 1, 2011, and ending June 30, 2021, the general assembly is not required
 25 to enact a statute authorizing the governor, the department, or an
 26 operator to approve the location of a tollway with respect to the
 27 following projects:

- 28 (1) A project on which construction begins after June 30, 2011,
 29 not including any part of Interstate Highway 69 other than a part
 30 described in subdivision (4).
 31 (2) The addition of toll lanes, including high occupancy toll lanes,
 32 to a highway, roadway, or other facility in existence on July 1,
 33 2011, if the number of nontolled lanes on the highway, roadway,
 34 or facility as of July 1, 2011, does not decrease due to the addition
 35 of the toll lanes.
 36 (3) The Ellettsville Expressway, a limited access facility connecting
 37 Interstate Highway 65 in northwestern Indiana with an interstate
 38 highway in Illinois.
 39 (4) A project that is located within a metropolitan planning area
 40 (as defined by 23 U.S.C. 134) and that connects the state of
 41 Indiana with the commonwealth of Kentucky.

42 SECTION 46. IC 8-15-3-36 IS ADDED TO THE INDIANA CODE



1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: **Sec. 36. (a) Before July 1, 2017, the department
3 shall submit a request to the Federal Highway Administration for
4 a waiver to toll lanes on interstate highways.**

5 **(b) The department shall engage an outside consulting firm to
6 conduct a feasibility study on tolling the interstate highways,
7 including revenue projections based on an analysis of optimal
8 tolling rates, vehicle counts and types by state of registration, and
9 traffic diversion.**

10 **(c) A written report on the feasibility study shall be delivered to
11 the funding Indiana's roads for a stronger, safer tomorrow task
12 force under IC 2-5-41 in an electronic format under IC 5-14-6
13 before November 1, 2017.**

14 SECTION 47. IC 8-23-2-19 IS ADDED TO THE INDIANA CODE
15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
16 1, 2017]: **Sec. 19. (a) The department shall:**

17 **(1) establish a single statewide set of state and local road and
18 bridge condition metrics;**

19 **(2) use the metrics in subdivision (1) to:**

20 **(A) evaluate and compare state and local road and bridge
21 conditions in local units within Indiana; and**

22 **(B) evaluate and compare Indiana's statewide road and
23 bridge conditions to road and bridge conditions in states
24 with similar climate, soil, and traffic conditions; and**

25 **(3) develop goals, timelines, and milestones to ensure that
26 Indiana's state and local road and bridge conditions are in the
27 top quarter of the states included in the comparison in
28 subdivision (2).**

29 **(b) The department shall develop a state and local road and
30 bridge project prioritization system and project priority list. The
31 project prioritization system must be based on a model that
32 includes at least the following variables:**

33 **(1) Safety.**

34 **(2) Congestion.**

35 **(3) Environment.**

36 **(4) Regional and state economic contribution.**

37 **(5) Potential intermodal connectivity.**

38 **(6) Total cost of ownership.**

39 **(c) The commissioner shall appoint two (2) economic
40 professionals and two (2) engineering professionals to establish and
41 administer the project prioritization system and model. The
42 appointees:**



1 (1) serve at the pleasure of the commissioner; and

2 (2) are entitled to compensation set by the budget agency.

3 (d) The department shall use the results of the model established
4 under this section to determine short term and long term
5 budgetary needs. The determination must achieve the following
6 infrastructure goals:

7 (1) Preserve and maintain current infrastructure resources.

8 (2) Provide for projected mobility needs for movement of
9 people and goods.

10 (e) The department may adjust the project priority list
11 established under this section if the department determines that
12 unforeseen circumstances require an adjustment.

13 (f) The general assembly may not approve or disapprove
14 projects on the department's project priority list.

15 SECTION 48. IC 8-23-2-20 IS ADDED TO THE INDIANA CODE
16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
17 1, 2017]: Sec. 20. (a) The department shall review and analyze the
18 following:

19 (1) The published research on using a system to fund
20 transportation infrastructure based on vehicle miles traveled.

21 (2) Research findings on the positives and negatives of each
22 system.

23 (3) Research findings on the potential unintended
24 consequences of each system.

25 (4) Estimated costs of implementation and fee collection of
26 each system.

27 (b) A written report on the review, analysis, and findings shall
28 be delivered to the funding Indiana's roads for a stronger, safer
29 tomorrow task force under IC 2-5-41 before November 1, 2017.

30 (c) The department shall provide its data, sources, and
31 assumptions, and any documents prepared by the department, as
32 part of the report to the legislative services agency in an electronic
33 format under IC 5-14-6.

34 (d) This section expires December 31, 2017.

35 SECTION 49. IC 8-23-30-3, AS ADDED BY P.L.146-2016,
36 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 MARCH 23, 2016 (RETROACTIVE)]: Sec. 3. A local unit may apply
38 to the department for a grant from the fund for an eligible project if the
39 local unit:

40 (1) uses a transportation asset management plan approved by the
41 department; and

42 (2) commits to a local match by using one (1) or more of the



1 following:

2 (A) Revenue attributable to an increase, after June 30, 2016,
3 in **Any money** the local unit's motor vehicle excise surtax or
4 wheel tax rate under IC 6-3-5: **unit is authorized to use for a**
5 **local road or bridge project.**

6 (B) Money received by the local unit as a special distribution
7 of local income taxes under IC 6-3.6-9-17.

8 (C) Money in the local unit's rainy day fund under
9 IC 36-1-8-5.1.

10 The application must be in the form and manner prescribed by the
11 department.

12 SECTION 50. IC 8-23-30-6, AS ADDED BY P.L.146-2016,
13 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2017]: Sec. 6. If the department approves a grant to a local
15 unit under this chapter, the amount of the grant from the fund is equal
16 to **may not exceed four (4) times** the amount that the local unit
17 commits to contribute to the proposed eligible project.

18 SECTION 51. IC 8-23-30-7, AS ADDED BY P.L.146-2016,
19 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2017]: Sec. 7. The department shall allocate at least ~~fifty~~ **forty**
21 percent (~~50%~~) **(40%)** of the ~~grants to be made~~ **amount available to**
22 **the department to make grants** in a state fiscal year to local units
23 located in counties having a population of less than fifty thousand
24 (50,000).

25 SECTION 52. IC 9-18.1-5-12 IS ADDED TO THE INDIANA
26 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2017]: **Sec. 12. (a) The supplemental fee in**
28 **this section applies after December 31, 2017, to each electric**
29 **vehicle that is required to be registered under IC 9-18.1.**

30 **(b) As used in this section, "electric vehicle" means a vehicle**
31 **that:**

32 **(1) is propelled by an electric motor powered by a battery or**
33 **other electrical device incorporated into the vehicle; and**

34 **(2) is not propelled by an engine powered by the combustion**
35 **of a hydrocarbon fuel, including gasoline, diesel, propane, or**
36 **liquid natural gas.**

37 **(c) In addition to any other fee required to register an electric**
38 **vehicle under this chapter, the supplemental fee to register an**
39 **electric vehicle is one hundred fifty dollars (\$150) through**
40 **December 31, 2022. Before October 1, 2022, and before each**
41 **October 1 of every fifth year thereafter, the bureau shall determine**
42 **a new fee amount to take effect as of January 1 of the following**



1 year by determining the product of:

- 2 (1) the fee in effect for the determination year; multiplied by
 3 (2) the factor determined under IC 6-6-1.6-3.

4 The fee shall be rounded to the nearest dollar.

5 (d) The fee shall be deposited in the local road and bridge
 6 matching grant fund established by IC 8-23-30-2.

7 SECTION 53. IC 9-18.1-15 IS ADDED TO THE INDIANA CODE
 8 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2017]:

10 **Chapter 15. Transportation Infrastructure Improvement Fee**

11 **Sec. 1. This chapter applies to annual motor vehicle**
 12 **registrations occurring after December 31, 2017.**

13 **Sec. 2. (a) The owner of a motor vehicle that is registered in**
 14 **Indiana shall pay an annual transportation infrastructure**
 15 **improvement fee.**

16 (b) The amount of the annual fee is fifteen dollars (\$15).

17 (c) The bureau shall transfer fees collected under this chapter
 18 to the department of state revenue for deposit.

19 (d) Fees collected under this chapter shall be deposited in the
 20 local road and bridge matching grant fund established under
 21 IC 8-23-30.

22 **Sec. 3. The annual fee imposed under section 2 of this chapter**
 23 **is due on or before the regular annual registration date in each**
 24 **year that the owner of the motor vehicle is required to register the**
 25 **motor vehicle under the motor vehicle registration laws of Indiana.**

26 **Sec. 4. (a) Payment of the fee imposed under section 2 of this**
 27 **chapter is a condition to the right to register or reregister a motor**
 28 **vehicle. The fee is in addition to all other conditions, taxes, and fees**
 29 **prescribed by law.**

30 (b) The bureau may accept a voucher from the department of
 31 state revenue showing payment of the fee for a motor vehicle that
 32 is base registered in Indiana under the terms of the International
 33 Registration Plan.

34 **Sec. 5. The annual fee imposed under section 2 of this chapter**
 35 **must be reduced proportionately on a monthly basis if:**

36 (1) the motor vehicle is registered in a calendar month
 37 following the month in which:

- 38 (A) the owner's annual registration date occurs; or
 39 (B) the owner is required to register motor vehicles under
 40 the International Registration Plan; and

41 (2) the motor vehicle is newly:

- 42 (A) purchased; or



1 (B) registered in Indiana.

2 Sec. 6. (a) A person is entitled to a refund of a fee paid under
3 section 3 of this chapter if the motor vehicle is sold or destroyed
4 before the person's registration year elapses. Subject to subsection
5 (b), the amount of the refund is equal to:

6 (1) the amount of the fee paid; multiplied by

7 (2) the quotient of:

8 (A) the number of full calendar months occurring after the
9 date of the sale or destruction of the motor vehicle and
10 before the date on which the person would have been
11 required to reregister the motor vehicle; divided by

12 (B) twelve (12).

13 (b) The amount of a refund determined under subsection (a)
14 must be rounded up to the next full dollar amount.

15 SECTION 54. IC 9-20-18-14.5, AS AMENDED BY P.L.45-2011,
16 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2017]: Sec. 14.5. (a) The civil penalties imposed under this
18 section are in addition to the other civil penalties that may be imposed
19 under IC 8 and IC 9. Notwithstanding section 12 of this chapter, a civil
20 penalty imposed under this section:

21 (1) is imposed on the person whose United States Department of
22 Transportation number is registered on the vehicle transporting
23 the load;

24 (2) shall be deposited in the motor carrier regulation fund
25 established by IC 8-2.1-23-1; and

26 (3) is in addition to any fines imposed by a court; and

27 (4) is assessed by the department of state revenue in
28 accordance with the procedures in IC 6-8.1-5-1.

29 (b) A person who violates ~~IC 9-20-5-7~~ is subject to a civil penalty
30 of not more than five hundred dollars (\$500) for each violation:

31 (e) (b) A person who obtains a permit under this article and violates
32 this article is subject to a civil penalty of not more than five hundred
33 dollars (\$500) for the first violation and not more than one thousand
34 dollars (\$1,000) for each subsequent violation.

35 (d) (c) A person who transports heavy vehicles or loads subject to
36 this article and fails to obtain a permit required under this article is
37 subject to a civil penalty of not more than five thousand dollars
38 (\$5,000) for each violation.

39 (e) (d) A person against whom a civil penalty is imposed under
40 this section may be assessed against a person only after an protest the
41 penalty and request an administrative hearing. has been conducted If
42 a hearing is requested, the department shall hold an administrative



1 **hearing** at which the person has an opportunity to present information
 2 as to why the civil penalty should not be assessed.

3 **(e) The department of state revenue's notice of proposed**
 4 **assessment under IC 6-8.1-5-1 is presumptively valid.**

5 SECTION 55. IC 36-9-42.2-2, AS ADDED BY P.L.141-2013,
 6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2017]: Sec. 2. As used in this chapter, "eligible entity" means
 8 a county or municipality that:

9 **(1) is eligible, or if not eligible for the program, would**
 10 **otherwise be eligible to receives; receive** directly or indirectly,
 11 federal funds; **and**

12 **(2) is not a part of a metropolitan planning organization.**

13 SECTION 56. IC 36-9-42.2-2.5 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2017]: **Sec. 2.5. As used in this chapter,**
 16 **"exchanged funds" means the state funds allocated to the program**
 17 **in accordance with this chapter.**

18 SECTION 57. IC 36-9-42.2-3, AS ADDED BY P.L.141-2013,
 19 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2017]: Sec. 3. As used in this chapter, "federal funds" means
 21 **the total amount of federal transportation funds received by an**
 22 **eligible entity through the federal surface transportation program.**
 23 **allocated by the federal government to the state.**

24 SECTION 58. IC 36-9-42.2-3.3 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2017]: **Sec. 3.3. As used in this chapter, "local**
 27 **share" means twenty-five percent (25%) of the federal funds**
 28 **received by the state in a year.**

29 SECTION 59. IC 36-9-42.2-3.5 IS ADDED TO THE INDIANA
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2017]: **Sec. 3.5. As used in this chapter,**
 32 **"metropolitan planning organization" means a federally mandated**
 33 **transportation policy making organization that:**

34 **(1) is designated to serve a particular transportation planning**
 35 **area within the state; and**

36 **(2) receives, directly or indirectly, federal funds.**

37 SECTION 60. IC 36-9-42.2-3.7 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2017]: **Sec. 3.7. As used in this chapter,**
 40 **"MPO member" means a county or municipality that is part of a**
 41 **metropolitan planning organization (MPO).**

42 SECTION 61. IC 36-9-42.2-4.5 IS ADDED TO THE INDIANA



1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2017]: **Sec. 4.5. As used in this chapter,**
 3 **"transportation asset management plan" has the meaning set forth**
 4 **in IC 8-23-30-1(4).**

5 SECTION 62. IC 36-9-42.2-5, AS ADDED BY P.L.141-2013,
 6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2017]: Sec. 5. The federal fund exchange program is
 8 established to provide eligible entities and the department with greater
 9 flexibility in funding transportation projects. The department shall
 10 administer the program as follows:

11 (1) Exchanged funds awarded to an eligible entity or to an
 12 MPO member may be carried over for up to three (3) years
 13 at the discretion of the department or the metropolitan
 14 planning organization, whichever is applicable.

15 (2) Except for design-build projects, the following must be
 16 substantially complete for a project before exchanged funds
 17 are awarded:

18 (A) Engineering.

19 (B) Design.

20 (C) Acquisition of rights-of-way.

21 (D) Reimbursable utility relocation.

22 (3) Exchanged funds may be expended on any phase of a
 23 project, including:

24 (A) periodic project oversight services;

25 (B) full-time construction inspection services; and

26 (C) reimbursement for items listed in subdivision (2) that
 27 were conducted before the application or request for
 28 exchanged funds or before the award of exchanged funds.

29 (4) A recipient of exchanged funds must provide a twenty
 30 percent (20%) local match payable by any available revenue
 31 source. Awards shall be made by the department or
 32 metropolitan planning organization, whichever is applicable,
 33 in an amount that is twenty percent (20%) less than the total
 34 cost of the project to accomplish the required match.

35 (5) After the initial award of exchanged funds for a project
 36 and before the department's closeout of the project, an
 37 eligible entity or an MPO member may apply to the
 38 department or metropolitan planning organization, whichever
 39 is applicable, to receive up to an additional five percent (5%)
 40 of the initial award of exchanged funds to pay for project
 41 change orders.

42 (6) All contracts for professional services paid for with



1 exchanged funds must be made on the basis of competence
2 and qualifications for the type of services to be performed and
3 compensation shall be negotiated as the eligible entity or MPO
4 member determines to be reasonable.

5 (7) Professional services must be performed by an entity that
6 is prequalified by the department.

7 (8) The department's design manual must provide guidance
8 for projects funded with exchanged funds. However,
9 exceptions to the design manual guidance shall be permitted
10 at the discretion of the eligible entity or MPO member.

11 SECTION 63. IC 36-9-42.2-6, AS ADDED BY P.L.141-2013,
12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2017]: Sec. 6. (a) Not later than fifteen (15) days after
14 receiving information from the federal government regarding the
15 state's distribution of federal funds, the department shall determine
16 the amount of state funds available for the program. calculate the local
17 share for that year. By November 1 of each year, the department
18 shall designate the exchanged funds by allocating state funds to the
19 program in an amount that is equal to the local share.

20 (b) The department may allocate additional state funds to the
21 program that exceed the local share. In making the its determination
22 to exceed the local share, the department shall consider the following:

23 (1) whether adequate state funds are available to fund allocate
24 additional state funds to the program beyond the local share
25 amount without putting at risk other transportation activities or
26 projects needing state funds.

27 (2) Whether the department can readily and effectively use
28 federal funds received through the program.

29 (c) The department shall make the exchanged funds available
30 for award to eligible entities and metropolitan planning
31 organizations through the program on an annual basis.

32 SECTION 64. IC 36-9-42.2-7, AS ADDED BY P.L.141-2013,
33 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2017]: Sec. 7. (a) An eligible entity is eligible to participate
35 in the program upon entering into an exchange agreement with may
36 apply to the department to receive exchanged funds if:

37 (1) the project is part of a transportation asset management
38 plan approved by the department;

39 (2) the project is capital in nature;

40 (3) the primary objective of the project is not general
41 maintenance or routine maintenance; and

42 (4) using any available revenue source, the eligible entity's



1 **fiscal body commits to a local match of twenty percent (20%)**
 2 **of the amount of the exchanged funds the eligible entity is**
 3 **requesting to receive.**

4 **The application must be in the form and manner prescribed by the**
 5 **department.**

6 (b) The department shall consider the following before ~~entering into~~
 7 ~~an exchange agreement with awarding exchanged funds to~~ an eligible
 8 entity:

9 (1) The amount of ~~federal funds the eligible entity wants to~~
 10 ~~exchange and the proposed exchange rate: exchanged funds the~~
 11 **eligible entity has requested.**

12 (2) A brief description of each project the eligible entity wants to
 13 fund, including the estimated cost of the project.

14 (3) The benefit to a project described in subdivision (2) ~~from the~~
 15 ~~removal of federal funding; in receiving exchanged funds~~ due to
 16 the project's size, type, location, or other features.

17 (4) ~~The availability of state funds: The nature of the project and~~
 18 **whether it has an economic significance for the region in**
 19 **which the eligible entity is located.**

20 (5) **Whether or not the eligible entity wishes to carry over its**
 21 **award of exchanged funds to the following year.**

22 Subject to section 7.5 of this chapter, an eligible entity may enter into
 23 an exchange agreement with respect to a project at any time during the
 24 project development process:

25 SECTION 65. IC 36-9-42.2-7.2 IS ADDED TO THE INDIANA
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2017]: **Sec. 7.2. To receive exchanged funds**
 28 **as part of the department's annual distribution to metropolitan**
 29 **planning organizations, a metropolitan planning organization must**
 30 **enter into an exchange agreement with the department that**
 31 **provides that the metropolitan planning organization will ensure**
 32 **that:**

33 (1) **all recipient MPO members of exchanged funds have**
 34 **completed a transportation asset management plan;**

35 (2) **using any available revenue source, the fiscal body of an**
 36 **MPO member has committed to a twenty percent (20%) local**
 37 **match of the amount of exchanged funds the MPO member is**
 38 **requesting to receive; and**

39 (3) **the projects awarded exchanged funds are capital in**
 40 **nature and the primary objective of the projects is not general**
 41 **maintenance or routine maintenance.**

42 SECTION 66. IC 36-9-42.2-7.5 IS REPEALED [EFFECTIVE JULY



1 1, 2017]. Sec. 7.5: (a) The department may enter into an exchange
 2 agreement only if the exchange agreement is first approved by the
 3 office of management and budget and the attorney general:

4 (b) The executive of an eligible entity may enter into an exchange
 5 agreement on behalf of the eligible entity. However, the executive of
 6 an eligible entity may enter into an exchange agreement only if the
 7 exchange agreement is first approved by the fiscal body of the eligible
 8 entity:

9 SECTION 67. IC 36-9-42.2-8 IS REPEALED [EFFECTIVE JULY
 10 1, 2017]. Sec. 8: An exchange agreement must provide the following:

11 (1) The eligible entity may exchange only federal funds for state
 12 funds:

13 (2) The eligible entity may use state funds only for a capital
 14 project that will fulfill the purpose of the original federal project
 15 award and that is approved by the department:

16 (3) If the eligible entity uses state funds to replace local funds in
 17 order to use the local funds for purposes unrelated to
 18 transportation, the eligible entity:

19 (A) must repay the state funds to the department; and

20 (B) may not participate in the program during the succeeding
 21 fiscal year:

22 (4) An exchange rate of not less than seventy-five cents (\$0.75)
 23 of state funds for each one dollar (\$1) of federal funds:

24 (5) The eligible entity agrees to provide local matching funds
 25 equal to not less than ten percent (10%) of the estimated project
 26 cost:

27 (6) The department will disburse the state funds to the eligible
 28 entity on a reimbursement basis:

29 SECTION 68. IC 36-9-42.2-9, AS ADDED BY P.L.141-2013,
 30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2017]: Sec. 9. Not later than November 1 of each year, the
 32 department shall submit a report on the program to the general
 33 assembly in an electronic format under IC 5-14-6. A report submitted
 34 under this section must include:

35 (1) a summary of the **awarded exchanged funds to eligible**
 36 **entities and** exchange agreements entered into **with**
 37 **metropolitan planning organizations** during the previous state
 38 fiscal year; and

39 (2) a status report on the implementation of projects funded
 40 through the program.

41 SECTION 69. IC 36-9-42.2-10, AS ADDED BY P.L.141-2013,
 42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2017]: Sec. 10. **An eligible entity that participates in the**
2 **program shall comply with** Applicable public purchasing laws and
3 competitive bidding requirements **must be complied** with respect to
4 **for** projects funded through the program.

5 SECTION 70. IC 36-9-42.2-11, AS ADDED BY P.L.141-2013,
6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2017]: Sec. 11. The department may adopt rules under
8 IC 4-22-2 **or guidelines, or both**, to implement this chapter.

9 SECTION 71. [EFFECTIVE JULY 1, 2017] **(a) IC 6-6-14-4, as**
10 **amended by this act, applies to decals issued after June 30, 2017.**

11 **(b) An alternative fuel decal that is effective from April 1, 2017,**
12 **through March 31, 2018, remains valid through March 31, 2018,**
13 **without the payment of an additional fee.**

14 **(c) This SECTION expires June 30, 2018.**

15 SECTION 72. **An emergency is declared for this act.**

